

Bumper crop likely

A recent international survey has forecast bumper crop this year in Bangladesh but cautioned that declining price of foodgrains vis-a-vis increasing production cost will lower income and purchasing power of the rural population, reports UNB.

The survey, "Bangladesh 1991: Economic Outlook", conducted by Virginia-based Bangladesh US Business Council, said that because of favourable weather, crop production in 1990-91 would surpass previous year's record yield of 18.5 million metric tons.

But simultaneously the Council, a non-profit American organisation founded to promote and strengthen commercial ties between United States and Bangladesh, cautioned that a larger crop would further decrease grain prices already pushed down by last year's abundant supplies.

On the other hand, the survey added, higher costs of oil and gas based inputs would lead to higher production costs and depress agricultural growth in real terms.

Country's real GDP growth has been estimated to slow from 6.2 per cent in 1989-90 to 5 per cent in 1990-91 mainly due to what the survey report stated higher oil prices and abrupt loss of remittances by expatriate workers from Kuwait and Iraq.

Inflationary pressures are increasing, said the report, and the Consumer Price Index is likely to rise to 12 per cent from 1989-90's moderate 9.3 per cent.

As the survey was conducted during the Middle East

conflict, some of its forecast, based on prediction that the war might prolong, would not be as obvious now because of changed scenario in the Gulf.

The survey observed that world trade growth was slowing as a result of the Gulf crisis but predicted Bangladesh's manufacturing exports, garments in particular, should withstand the downturn because of its low cost structure.

Higher oil prices have increased demand for jute as a substitute for oil based synthetics and the survey expects that the elevated jute prices would to some extent help moderate the negative effects of the Gulf crisis.

On the inflow of external

2,420 poultry, dairy farms set up in Rajshahi in 8 months

RAJSHAHI, Mar 20: A total of 868 dairy farms and 1,552 poultry farms were constructed in the division between July 1990 and February 1991 in fiscal 1990-91 by Livestock Department, achieving the yearly target by 95 and 130 per cent respectively, reports BSS.

The department, as a part of its annual programme, has vaccinated about 27 lakh 17 thousand cattleheads during July '90 to February '91 in 16 districts of Rajshahi division, an official handout said on Wednesday.

During the period about seven lakh 23 thousand cattleheads have been given treatment and one lakh 95 thousand cows were artificially inseminated in the division achieving the yearly target by 60 and 61 per cent respectively.

Besides, the department has vaccinated about two crore 31 lakh poultry and treated 17 lakh 44 thousand during the first eight months of the current fiscal year, which are 63 and 93 per cent respectively of the annual target. During the time the department also distributed 27 thousand seven hundred ducks and 58 thousand five hundred hens of improved species among the farmers of the division achieving the yearly target by 76 and 127 per cent respectively.

A total of two lakh six thousand poultry of improved species and about one lakh 22 thousand eggs for incubation were also distributed during the period.

Price Barometer Essentials

RICE (Taka per Kg)	
Amber (Very fine)	17.00-17.50
Amber (fine)	14.50-15.00
Fajian	13.50-14.50
Ushai	11.75-12.50
VEGETABLES (Taka per kg)	
Peas(White)	3.50-4.00
Brinjal	8.00-12.00
Lady's finger	10.00-12.00
Karolla	12.00-14.00
Lalshak	3.00-5.00
Papay	5.00-6.00
Green Banana (Four Pieces)	5.00-8.00
OILSEEDS (Taka per Kg)	
Flour	12.00-14.00
Atta	10.00-11.00
Wheat	9.50-10.00
Suz	18.00-20.00
FISH (Taka per kg)	
Ruhi(big)	110.00-130.00
Katia(big)	80.00-90.00
Hilsha	50.00-55.00
Pangas	100.00-105.00
Shrimp(big)	100.00-120.00
Singi	65.00-75.00
Koi	85.00-100.00
PULSES (Taka per Kg)	
Mash	27.00-28.00
Mashur	27.00-28.00
Moogh	33.00-35.00
Chholia	22.00-24.00
Matar	26.00-27.00
Khesari	18.00-20.00
MEAT (Taka per Kg)	
Beef	50.00-60.00
Mutton	80.00-85.00
OIL (Taka per Litre)	
Mustard	50.00-54.00
Soyabean	33.00-34.00
Pean Oil	38.00-39.00
Coconut (Colombo)	60.00-64.00
Vegetable Ghee	44.00-52.00
SPICES (Taka per kg)	
ONION (new)	10.00-14.00
Garlic	20.00-28.00
Chillies	58.00-60.00
Turmeric(Round)	40.00-48.00
"(Long)	42.00-50.00
Green chillies	16.00-20.00
Ginger	22.00-24.00
Cinnamon* (10gms)	3.00-3.50
Cardamom* (large)	3.50-4.00
Jhira (50gms)	7.00-7.50
MISCELLANEOUS (Taka)	
Choc	220.00-230.00
Sugar	28.00-29.00
Melassas	18.00-20.00

assistance, the report says foreign aid will continue to finance "a good portion" of the budget deficit.

The Business Council report said quoting prediction of its Economic Intelligence Unit (EIU) that the donors' prescribed structural reforms would hit industry.

Commenting on the various economic stabilisation proposals of the World Bank and the International Monetary Fund (IMF), the report observed "these strict proposals amount to a virtual takeover by the World Bank of planning and budgeting functions" of the country.

The report pointed out that multinational companies complained of stiff competition from low-priced smuggled goods. "They also charge that some local companies evade taxes and import duties and are therefore able to undercut market prices."

Negative effects of these complaints on inflow of foreign capital have been predicted.

It was however expected in the report that incentives for foreign investment given in the new industrial policy would attract foreign investors. It particularly expected increasing inflow of foreign investment in Export Processing Zone.

A. Through increased investment in education and

43 p.c. live in poverty

Star Economic Report

Nearly 43 per cent of the country's population is living in poverty.

Effective steps could not be taken to alleviate poverty after the liberation war.

A task force report on poverty alleviation submitted to the Acting President said if Bangladesh's growth rate was increased to 5 per cent from present 3.8 per cent by the year 2000, unemployment problem would be removed.

The task force suggested that side by side with economic growth, coordinated programmes to alleviate poverty should be taken up.

Headed by Dr. Mahbub Hossain, Director General, Bangladesh Institute of Development Studies (BIDS), the task force members include Badiur Rahman of Palli Karma Sahayak Foundation, Salahuddin Ahmed of BRAC, K. Mahmudur Rahman of Bangladesh Rural Development Board, Mrs. Khushi Kabir of Mijera Karti, Dr. Binayak Sen of BIDS, Zillur Rahman, former joint chief, Planning Commission and Dr. S. R. Osmani of BIDS.

The task force identified three ways for poverty alleviation:

A. Through increased investment in education and

health sector, and to help people achieve a respectable standard of life by using available facilities and face the challenges of unfavourable condition.

B. To achieve higher growth rate through coordination of economic policies and development strategy which will result in uniform distribution of increased income, and

C. To take up target group oriented employment and income generation activities with a view to setting up a safety net for the underprivileged section of the people.

A preliminary estimate suggests that an amount Tk 1800 crore will be needed to implement the poverty alleviation programmes annually in the public sector during the period 1990-95. For the 1995-2000 programmes, government expenditures have been estimated at Tk 2400 crore. The report said 50 per cent of this expenditure can be met with foreign aid available each year. Rest of the money could be procured through sector wise adjustment of the budgetary allocation, taxation on the users of the infrastructures and matching grants available locally.

The task force stressed organising of pressure groups at

grassroots level in order to help the poor people avail the public sector activities for their good usages.

Considering the existing problems, the task force recommended setting up of primary schools, in every two kilometres of the country by 1995 to create opportunity for universal primary education.

The report stressed the need for growth of long term universal secondary education. It said secondary schools should be set up in every four kilometres by 1995 and one school in two kilometres by 2000.

Country's health policy should be streamlined and this sector should get more fund. Necessary infrastructure and skilled manpower should be made available for an expanded Health for All programme by 2000.

The poor women heads of the families should get priority in the distribution of khas land, the task force recommended.

Grameen Bank branches should be set up in all union parishads by 2000 to help provide necessary fund to generate economic activities in the rural areas.

Provisions of subsidies in the loan programmes should

be made, it said. It suggested introduction of credit pass-books for the small farmers and a separate window should be opened in each bank branch in rural areas for them.

Agricultural extension system should be streamlined by encouraging backyard poultry, vegetable production, livestock promotion and expansion of forest resources. In these activities, women should get priority as target group.

The report recommended institutional credit provision to help overcome calamitous condition through land mortgage. Separate wings at the rural bank branches should be opened for them, it suggested.

It recommended modernised irrigation system by organising the landless people through cooperative system. Landless cooperatives should get ownership of the power pumps, it said.

The report suggested employment generation in the backward upazilas in the Bengali months of Aswin-Kartik and Falgun-Chaitra. All the distressed women heads of the families should be brought under Vulnerable Group Development (VGD) programme by 1995. Low-cost housing for the landless should be provided by 1995.

The report stressed organising of pressure groups at



KUWAIT CITY: People leave with their ration of rice, sugar, oil and milk after waiting in line for four hours at the Hawalli Cooperative in Palestinian neighborhood March 19. Food and other basic services remain scarce almost three weeks after the liberation of Kuwait. —Photo AFP/UNB

IMF revises Third World growth downwards

WASHINGTON, Mar 20: The Gulf crisis, even before the outbreak of the Gulf war, has had devastating effects on some Third World countries, the Managing Director of the International Monetary Fund (IMF) said Tuesday, reports AFP.

Michel Camdessus, in a speech delivered in Toronto, Canada, said the Gulf crisis "has led the IMF to revise downwards, since last fall, our estimates and projections for growth in the developing world to less than one per cent in 1990 and only slightly over one per cent in 1991."

The text of Camdessus's speech was released in Washington by the IMF. Describing the situation as "very disappointing," Camdessus noted: "The various shocks and developments elsewhere had a severe impact on the external position of the developing countries."

"The vast majority are oil importers, and these suffered a deterioration in the terms of trade due to the oil price rise and a fall in non-fuel commodity prices."

"In addition, some countries in Asia like several in the Middle East itself suffered from the disruption of trade, loss of workers' remittances, and tourist receipts, the repatriation of workers and support of refugees, and by the destruction resulting from the war."

Camdessus said the external deficit of the indebted non-oil

Gold smuggling on rise in India

NEW DELHI, Mar 20: Gold smuggling business is back again in full bloom in India following the end of the Gulf war, local press Tuesday quoted bullion market sources as saying, reports Xinhua.

The smugglers based in the Gulf region, mainly Dubai of the United Arab Emirates, have reestablished their links with India following the Gulf war.

Most of the smugglers had temporarily migrated to London during the war.

producing developing countries soared to about 60 billion dollars last year, compared to about 47 billion dollars in 1989.

Looking to the immediate future, Camdessus said the hopes of the indebted developing countries would be complicated by other economic events in the world.

"In particular," he said, "it is clear that the transformation of the Eastern European countries, the Soviet Union, and the reconstruction of the economies most severely damaged in the Middle East war, will require large exceptional investments in the coming years."

Among the "essential" needs for the Gulf countries, said Camdessus, was the need to "concentrate domestic resources on productive investment, which will be a key factor for sustainable development and peace in the region."

He added: There is, therefore, also a need, preferably within the framework of a global political arrangement, for an imaginative effort to reduce the need-

Japan's GNP up by 5.6 p.c.

TOKYO, Mar 20: Japan's economy suffered a modest slowdown in the December quarter but still grew by 5.6 per cent last year, up from a revised 4.7 per cent in 1989, the Economic Planning Agency said Tuesday, reports AFP.

The agency said that in the three months to December, Gross National Product (GNP) — the country's total output of goods and services — grew 0.5 per cent from the previous quarter, marking an annual growth rate of 2.1 per cent.

The latest figures compare with a revised quarterly growth rate of 1.1 per cent in the September quarter, when the annual growth rate was 4.6 per cent.

The government agency said the slowdown reflected the first contraction in domestic demand in almost five years. Domestic demand shrank 0.1 per cent from the previous quarter, offsetting a 0.6 per cent increase in external demand and marking the first decline since the March quarter of 1986.

The decline in domestic demand focussed on reduced housing investment and consumer spending but was offset by continued growth capital spending.

USSR plans to freeze 50 p.c. private savings

MOSCOW, Mar 20: The Soviet authorities are planning to freeze 50 per cent of the savings of co-operatives (private firms) and individual savers, the non official agency Interfax reported Tuesday, reports AFP.

The government is preparing a bill to this effect that will hit "very hard" not only co-operatives but also the state sector, the agency said, citing the president of the Federation of Soviet Co-operatives, Vladimir Tikhonov said at a meeting of the Economic Council of the Russian Federation.

The move could provoke an angry response from Soviet people who are already barred from withdrawing more than 500 Roubles (about 850 Dollars at the official rate) per month from savings account, although substantial price increases are expected on April 2.

Meat, bread and flour prices are to go up by 200 per cent, with milk and dairy products increasing by 130 per cent.

Raw Jute

March - 20

Kutchha bales	White	Tossa	Meshtia
FOB Narayanganj/Daulatpur			
Medium	1393	1500	1125
Bot. (B)	1340	1447	1098
Bot. (C)	1206	1286	1045
Bot. (X)	1072	1125	857

* FOB = Freight on board
* Bot. = Bottom

White bales	FOB (Ready)*	FOB (Sight)**
BT SPL	3500	595
BTA	3450	580
BTB	3400	560
BTC	2950	490
BTD	2650	420
BTE	2100	375

White Rejection (WRS)/Tossa Rejection (TRS):

White/Tossa:	BT SPL	595
BT SPL	3500	595
BTA	3450	580
BTB	3400	560
BTC	2950	490
BTD	2650	420
BTE	2100	375

White/Tossa: Cutting

White/Tossa:	BWA	1450	235
BWA	1450	235	
BWB	1300	220	
BWC	1600	250	
BWD	1500	235	

White/Tossa: Spl.

White/Tossa:	Spl.	1950	355
Spl.	1950	355	
A	1900	345	
B	1800	330	
C	1600	295	
SPL Cuttings	1000	175	
Ord. Cuttings	900	170	
SMR	1125	200	

* FOB ready = Narayanganj
** FOB sight = Chittagong/Mongla Ports. Indicative Price at which sales may be considered for EPC registration.

The \$ prices are exclusive of any selling commission. O. D. (Sight nontraditional/applicable to export bills). One \$ = Tk. 35.4956

* MT = Metric Ton

Imports/arrivals of Kutchha bales at Narayanganj were seven to eight thousand mounds while at Daulatpur at six to seven thousand mounds. (One mound is equal to 37.32417 KGs.)

Source: Bangladesh Jute Association

Gold & Silver

March - 20 (Taka for 11.66 grams)	
Gold	6,000.00
Teladi	6,300.00
Gulshan	6,300.00
Silver	200.00

Source: Department of Agricultural Marketing

Hides & Skin (Wet/Salted)

March - 20 (Taka per 100 pieces)	
Cow	15,000.00 - 19,000.00
Light	28,000.00 - 35,000.00
Medium	40,000.00 - 45,000.00
Heavy	55,000.00 - 60,000.00
Very heavy	70,000.00 - 75,000.00
Rejected	30,000.00 - 35,000.00
Goat	
Big & heavy	14,000.00 - 15,000.00
Light & Medium	7,500.00 - 8,000.00
Rejected	3,500.00 - 4,000.00
Sheep	10,000.00 - 10,500.00
BUFFALO	60,000.00 - 63,000.00

Source: Department of Agricultural Marketing

Stock prices sink on Wall Street

WASHINGTON, Mar 20: A stubborn increase in the underlying rate of US inflation sent out warning signals Tuesday that helped depress stock prices on Wall Street, despite an encouraging jump in new home construction, reports Reuter.

The Labour Department reported that a drop in the energy costs slowed the official pace of inflation in February as the consumer price index rose a moderate 0.2 per cent after a 0.4 per cent gain the previous month.

However, economists were surprised by an unexpected jump in the closely watched core rate of inflation, which excludes the volatile food and energy sectors, of 0.7 per cent after a 0.8 per cent rise in

January. Stock prices sank on Wall Street after the figures were released and as shares of Bellweather International Business Machines dropped sharply after the company said it expected lower earnings in the first quarter of this year.

The Dow Jones industrial average was down a steep 58.42 points at 2,871.53 at 1 p. m. est (1800 GMT). IBM, a major component of the 30-share stock market barometer, topped the most-actives list with a drop of 10.375 to 117.50 dollars.

"The IBM figures raise questions about the other technologies (stocks), and the inflation figures are another disappointment," said Michael Metz.

Exchange Rates

March - 20

SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques (B/Cs) and Overseas Drafts (O/Ds)

One Unit of Foreign Currencies (FC) for Taka

FCs	Selling	Buying
US Dollar	35.9226	35.4432
UK Pound Sterling	84.3616	63.5972
German Deutsche Mark	22.0655	21.750

French Franc 6.4754 6.3867
Saudi Riyal 9.6101 9.4819
Dutch Guilders 19.5710 19.2993
Pakistan Rupee 1.5930 1.5790
(AMU*)

Singapore Dollar 20.3874 20.1039
UAE Dirham 9.8141 9.6831
Kuwait Dinar Not available
Indian Rupee Not available
AMU 1.8591 1.8414
S. Kroner 6.0313 5.9458
*AMU-Asian Monetary Unit

SECONDARY EXCHANGE MARKET

Wage Earners Fund/Export Performance Benefit (EPB) Fund

US Dollar 36.48 36.53
UK Pound 66.39 66.44
Sterling

* The rates of Pound Sterling are decided every day, based on the cross-rates of New York market
Source: Sonali Bank

Modest uptrend in share trading

Star Economic Report
Dhaka bourse witnessed on Wednesday an uptrend in trading,